

Related Change Request (CR) #: 2944

Medlearn Matters Number: MM2944

Related CR Release Date: February 6, 2004

Related CR Transmittal #: R90CP

Effective Date: July 1, 2004

Implementation Date: July 6, 2004

Implementation of Skilled Nursing Facility Claim Edits for Therapy Codes Considered Separately Payable Physician Services

Provider Types Affected

Physicians and other providers billing Medicare carriers for services provided at Skilled Nursing Facilities (SNF).

Provider Action Needed

Providers billing for services rendered to Medicare beneficiaries in a SNF stay should note changes in the Medicare claims processing systems which will allow certain therapy services to be separately payable when provided by physicians. These same services will be considered therapy services when provided by therapists and will be subject to SNF consolidated billing.

Background

Physical, occupational, and speech therapy provided to beneficiaries in either 1) a Part A covered SNF stay or 2) during a non-covered stay are considered bundled services and are paid through consolidated billing under the SNF Prospective Payment System.

A small number of these services are considered **surgery** when performed by a **physician** and may be separately paid by Medicare. When these services are performed by a physical or occupational therapist they are considered **therapy** and continue to be subject to consolidated billing.

Effective for claims with dates of service on or after July 1, 2004, these changes to Medicare claims processing rules will prevent incorrect payment. Basically, the Medicare claims systems will allow separate payment to providers, other than physical and occupational therapists, for services provided to Medicare beneficiaries in a Part A covered SNF stay or a non-covered SNF stay for the Healthcare Common Procedure Coding System (HCPCS) codes in the following table:

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29065	29075	29085	29086	29105	29125	29126
29130	29131	29200	29220	29240	29260	29280
29345	29365	29405	29445	29505	29515	
29520	29540	29550	29580	29590	64550	

When physical and occupational therapists submit claims for these services for Medicare patients in a SNF stay, the claim will not be paid and the billing provider will receive a remittance message with remarks code N121, which states that there is "No coverage for items or services by this type of practitioner for patients in a covered Skilled Nursing Facility (SNF) stay."

Implementation

The implementation date is July 6, 2004 and applies to claims with dates of service of July 1, 2004, or later.

Related Instructions

The following will be added to the Medicare Claims Processing Manual, Chapter 6, Section 110, Subsection 2.6, *Edit for Therapy Services Separately Payable When Furnished by a Physician*:

"A number of therapy services are considered separately payable when provided by a physician and shall be paid separately by the Medicare carrier. However, these services are considered therapy when provided by a physical or occupational therapist; will be subject to consolidated billing; and payment for them is included in the prospective payment rate provided to the SNF by the FI (Medicare fiscal intermediary)."

Effective July 1, 2004, edits will be implemented in the claims processing system to correctly process claims for these services. A complete list of these services can be found on the CMS website at www.cms.gov/medlearn/snfcode.asp."

For additional information on SNF Inpatient Part A Billing, please see Chapter 6 of the Medicare Claims Processing Manual (Pub 100-04), which may be found at:

http://www.cms.hhs.gov/manuals/104_claims/clm104c06.pdf.

To view the actual instructions issued to your carrier, please visit:

http://www.cms.hhs.gov/manuals/transmittals/pm_trans/R90CP.pdf.

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